

FIML NATURAL RESOURCES, LLC

August 26, 2004

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

Attn.: Ms. Diana Whitney

RE: Ute Tribal #2-10-1219
NWNE Sec 10 T-12-S R-19-E
Wildcat Field
Uintah County, Utah

Dear Ms. Whitney:

Enclosed are an original and one copy of an application to drill concerning the referenced proposed well.

FIML (FNR) Natural Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or need additional information, please contact the undersigned at 303-893-5081.

Sincerely,



Rick L. Parks
Operations Manager

/ps
Enclosures:

RECEIVED
AUG 27 2004
DIV. OF OIL, GAS & MINING

Form
(August 2004)

**UTE INDIAN TRIBE
DEPARTMENT OF ENERGY AND MINERALS
APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM
Approved August 2004

5. Lease Serial No. or EDANo.
EDA Number UIT-EDA-001-000

6. Tribe Name
Ute

7. If Unit or CA Agreement, Name and No.
N/A

8. Lease Name and Well No.
Ute Tribal 2-10-1219

9. API Well No.
43-047-35897

10. Field and Pool, or Exploratory
Wildcat

11. Sec., T. R. M. or Blk. and Survey or Area
Sec 10, T-12S R-19E

12. County
Uintah

13. State
UT

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

2. Name of Operator
FIML Natural Resources, LLC

3a. Address **410 17th St., Suite 570, Denver, CO 80202**

3b. Phone No. (include area code)
(303) 893-5073

4. Location of Well (Report location clearly and in accordance with any State requirements.)* **39.79373**
At surface **NWNE 523' FNL & 1,796' FEL Sec 10 T-12S R-19E 604964X-109.77406**
At proposed prod. zone **Same 4405373Y**

14. Distance in miles and direction from nearest town or post office*
25.9 miles south southwest of Ouray, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
523'

16. No. of acres in lease
640

17. Spacing Unit dedicated to this well
40 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **N/A**

19. Proposed Depth
9,400'

20. State Survey
8193-353

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
5,572' GL

22. Approximate date work will start*
10/03/2004

23. Estimated duration
15 days

24. Attachments

The following shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan.
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Such other site specific information and/or plans as may be required by the Energy and Minerals Department.

25. Signature

Name (Printed/Typed)

Date

Mark D. Bingham

08/26/2004

Title

Senior Vice President

Approved by (Signature)

Name (Printed/Typed)

Date

BRADLEY G. HILL

08-30-04

Title

ENVIRONMENTAL SCIENTIST III

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

**Federal Approval of this
Action is Necessary**

**RECEIVED
AUG 27 2004
DIV. OF OIL, GAS & MINING**

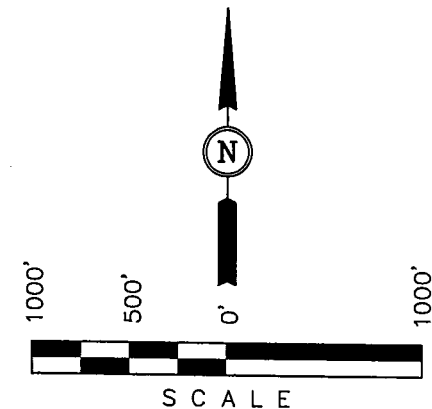
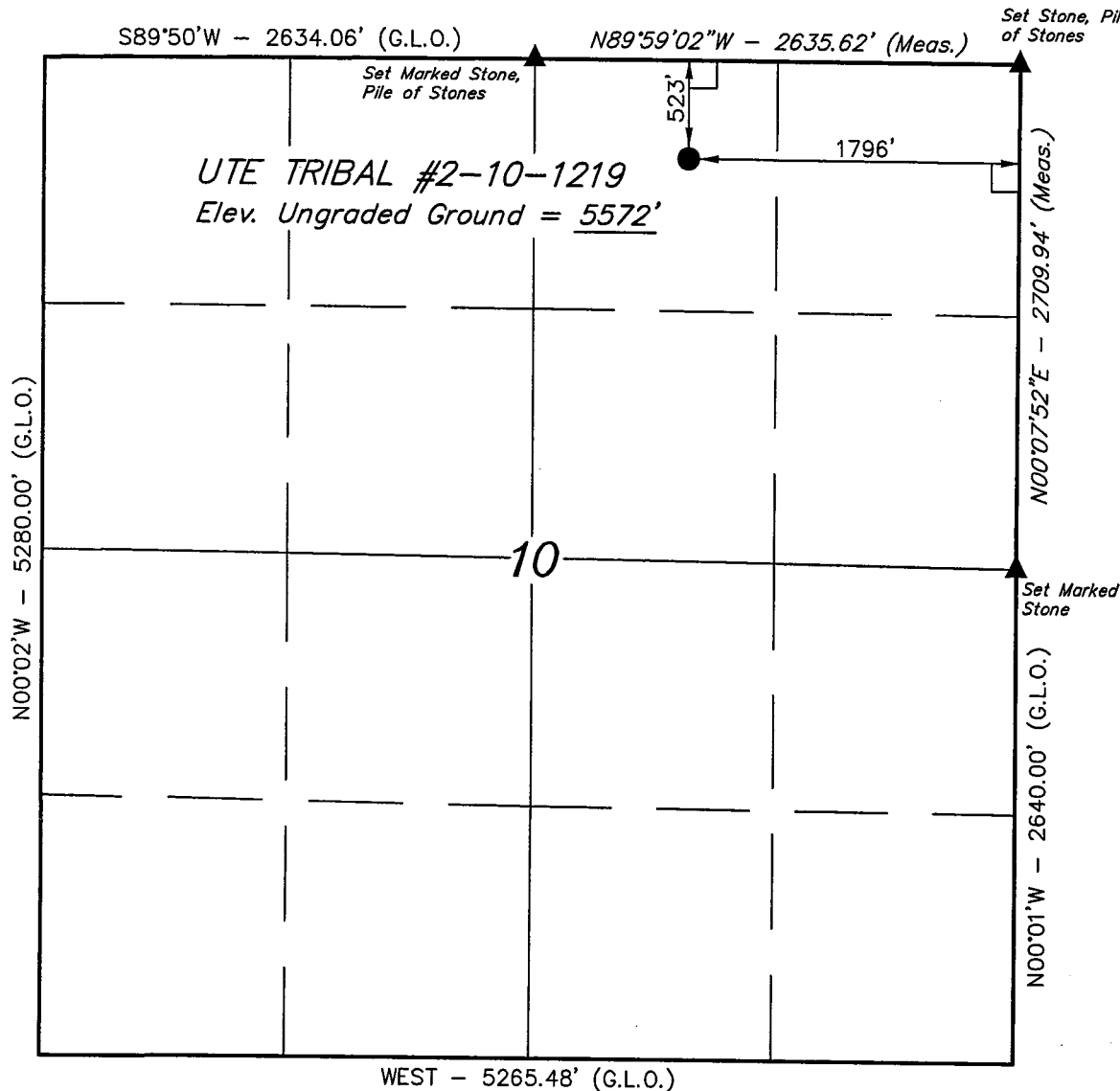
T12S, R19E, S.L.B.&M.

FIML NATURAL RESOURCES, LLC

Well location, UTE TRIBAL #2-10-1219, located as shown in the NW 1/4 NE 1/4 of Section 10, T12S, R19E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

BENCH MARK 47WF LOCATED IN THE NW 1/4 OF SECTION 22, T13S, R19E, S.L.B.&M. TAKEN FROM THE DOG KNOLL, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6473' FEET.



CERTIFIED LAND SURVEY

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert J. [Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 16319
STATE OF UTAH

WEST - 5265.48' (G.L.O.)

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°47'37.35" (39.793708)
LONGITUDE = 109°46'28.27" (109.774519)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 8-20-04	DATE DRAWN: 8-23-04
PARTY G.S. W.L. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FIML NATURAL RESOURCES, LLC	

SELF CERTIFICATION STATEMENT

Please be advised that FIML Natural Resources, LLC is considered to be the operator of the following well.

Ute Tribal 2-10-1219
NW/4 NE/4 523' FNL 1,796' F~~W~~L, Section 10, T-12S, R-19E
EDA Number UIT-EDA-001-000
Uintah County, Utah

FIML Natural Resources, LLC is responsible under the terms of this lease for the operations conducted upon lease lands.

A handwritten signature in black ink, appearing to read "Rick L. Parks". The signature is fluid and cursive, with the first name "Rick" and last name "Parks" clearly distinguishable.

Rick L. Parks
Operations Manager
FIML Natural Resources, LLC
410 17th Street, Suite 570
Denver, Colorado 80202
(303) 893-5073

FIML NATURAL RESOURCES, LLC

573 Ute Tribal 2-10-1219
NW/4NE/4 545' FNL 1,796' FEL Sec 10, T-12S, R-19E
Uintah County, Utah
EDA Number UIT-EDA-001-000

DRILLING PROGRAM

1. Estimated Tops of Geological Markers:

Formation	Depth
Green River	Surface
Wasatch	3,240'
Mesa Verde	6,340'
Blue Castle	7,840'
Neslen	8,110'
Castle Gate	8,690'
Mancos	9,200'
Total Depth	9,400'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Other Minerals:

Substance	Formation	Depth
Oil/Gas	Wasatch	3,240'
Oil/Gas	Mesa Verde	6,340'
Oil/Gas	Blue Castle	7,840'
Oil/Gas	Castle Gate	8,690'
Oil/Gas	Mancos	9,200'
Other Mineral Zones	N/A	

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

3. Pressure Control Equipment:

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

4. Proposed Casing and Cementing Program:

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

5. **Drilling Fluids Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

6. **Evaluation Program:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

7. **Abnormal Conditions:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

8. **Anticipated Starting Dates and Notification of Operations:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

9. **Other Information:**

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 23, 2004).

FIML NATURAL RESOURCES, LLC

523' Ute Tribal 2-10-1219
NW/4NE/4 535' FNL 1,796' FEL Sec 10, T-12S, R-19E
Uintah County, Utah
EDA Number UIT-EDA-001-000

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads

- A. Proceed in a westerly direction from Vernal, Utah along U. S. Highway 40 approximately 14.0 miles to the junction of State Highway 88. Turn left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah. Proceed in a southerly, then southeasterly direction approximately 9.1 miles on the Seep Ridge Road to the junction of this road and an existing road to the south. Turn right and proceed in a southerly direction approximately 2.8 miles to the junction of this road and an existing road to the west. Turn right and proceed in a westerly, then southwesterly, then southerly direction approximately 14.0 miles to the beginning of the proposed access road to the southwest. Follow road flags in a southwesterly direction approximately 0.7 miles to the proposed location.
- B. The proposed well site is located approximately 25.9 miles south southwest of Ouray, Utah – See attached Topographic Map “A”.
- C. Refer to attached Topographic Map “A”.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. Planned Access Roads

See Topographic Map “B” for the location of the proposed access road.

3. Location of existing wells within a one mile radius of proposed well location

See Topographic Map “C” for the location of existing wells within a one-mile radius.

4. Location of Existing and /or Proposed Facilities

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

5. Location and Type of Water Supply

- A. Water supply will be from the Kenneth Joe Batty water well. The State Water Right number is 43-10447 and the well is located in Section 9, T-8S, R-20E, Uintah County, Utah.

- B. Water will be hauled by JN Trucking, Inc.
- C. No water well will be drilled on the lease.

6. Source of Construction Materials

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

7. Method of Handling Waste Materials

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

8. Ancillary Facilities

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

9. Well Site Layout

The attached Location Layout diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, pipe racks, trailer parking, spoil dirt stockpile(s) and top soil stockpile(s).

10. Plans for Restoration of the Surface

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

11. Surface Ownership

Access Road: Ute Indian Tribe
Location: Ute Indian Tribe

12. Other Information

Please refer to FIML Natural Resources, LLC Standard Operating Practices (SOP Version: August 20, 2004).

13. Operator's Representative and Certification

Name: Rick L. Parks

Address: 410 17th Street
Suite 570
Denver, Colorado 80202

Phone No. 303-893-5081

Cellular No. 303-229-7689

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations and Onshore Oil and Gas Orders. FIML Natural Resources, LLC is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge and belief, true and correct; and that the work associated with operations proposed herein will be performed by FIML Natural Resources, LLC and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it was approved.

8/26/04

Date



Rick L. Parks
Operations Manager
FIML Natural Resources, LLC

EPA's LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide waste
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids

FIML NATURAL RESOURCES, LLC
UTE TRIBAL #2-10-1219
LOCATED IN UINTAH COUNTY, UTAH
SECTION 10, T12S, R19E, S.L.B.&M.

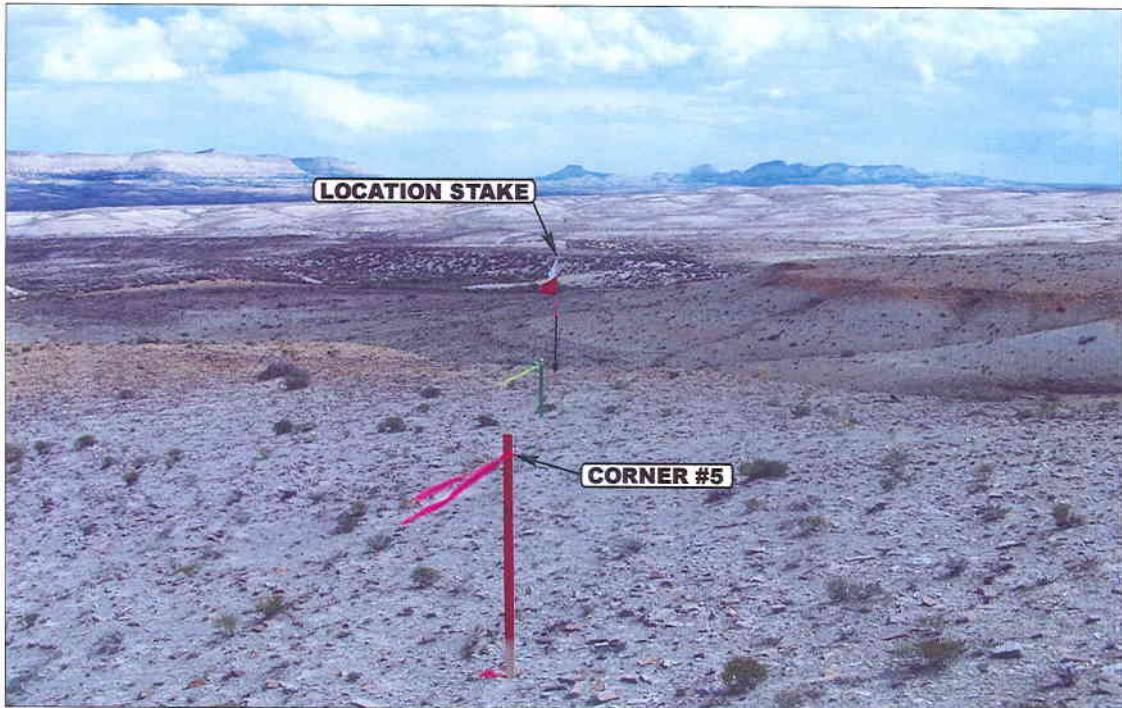


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

U **E** **L** **S** **Uintah Engineering & Land Surveying**
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

08 **21** **04**
MONTH DAY YEAR

PHOTO

TAKEN BY: G.S.

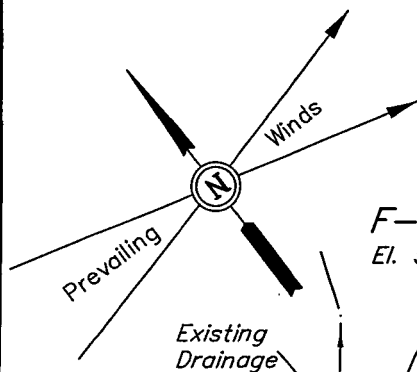
DRAWN BY: P.M.

REVISED: 00-00-00

FIML NATURAL RESOURCES, LLC

LOCATION LAYOUT FOR

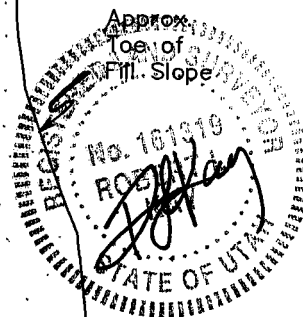
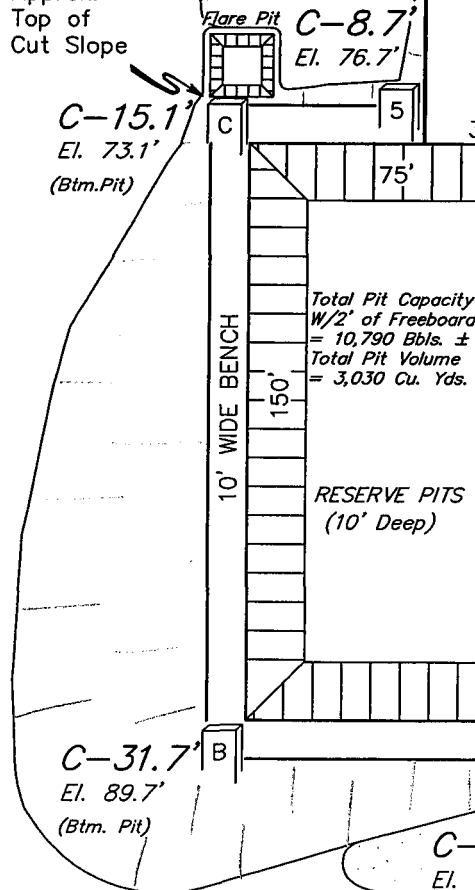
UTE TRIBAL #2-10-1219
SECTION 10, T12S, R19E, S.L.B.&M.
523' FNL 1796' FEL



SCALE: 1" = 50'
DATE: 8-23-04
DRAWN BY: C.G.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

Approx. Top of Cut Slope



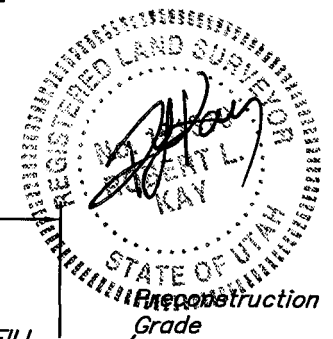
Elev. Ungraded Ground at Location Stake = 5572.1'
Elev. Graded Ground at Location Stake = 5568.0'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

FIML NATURAL RESOURCES, LLC

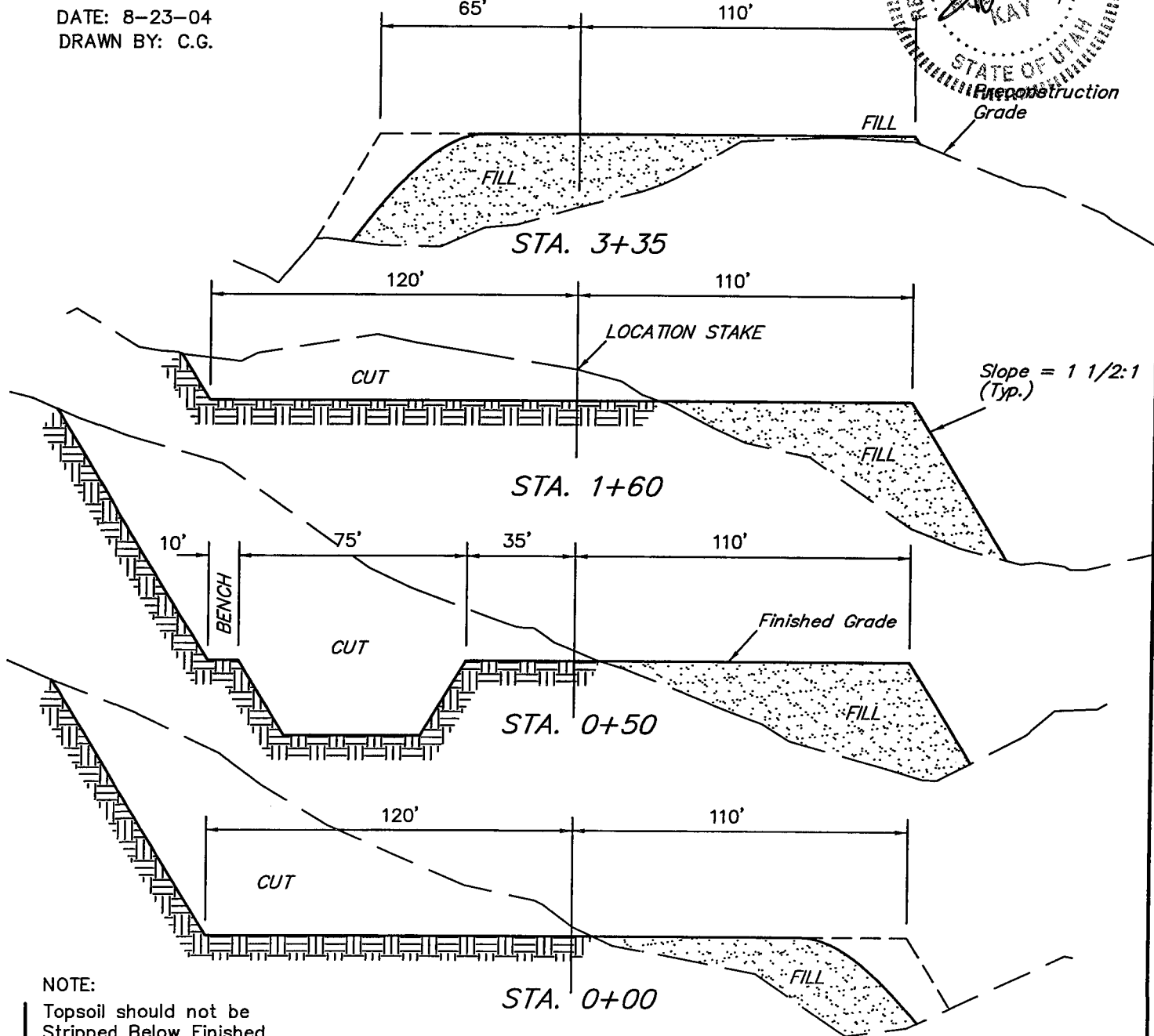
TYPICAL CROSS SECTIONS FOR

UTE TRIBAL #2-10-1219
SECTION 10, T12S, R19E, S.L.B.&M.
523' FNL 1796' FEL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 8-23-04
DRAWN BY: C.G.



NOTE:

Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

APPROXIMATE YARDAGES

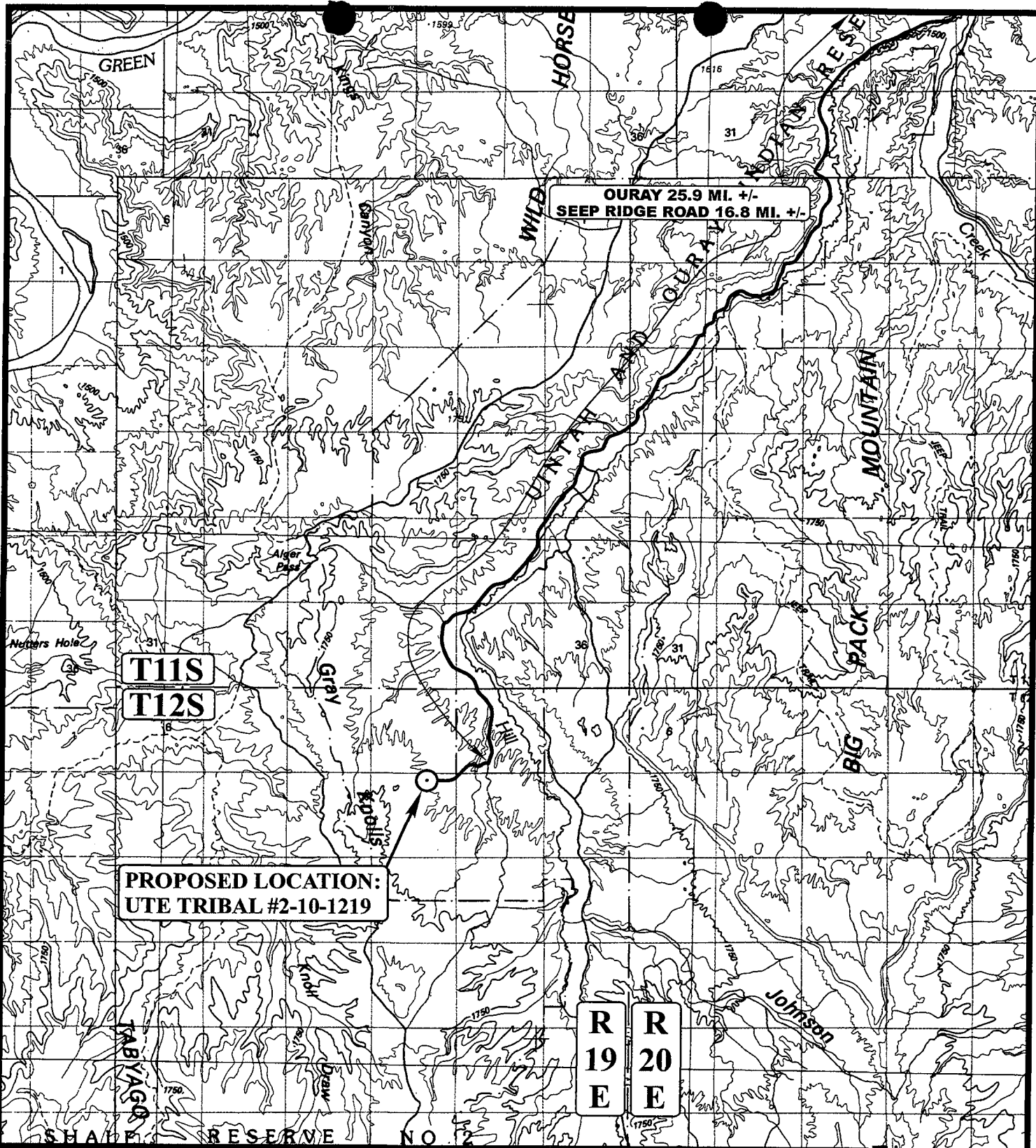
CUT	
(12") Topsoil Stripping	= 3,550 Cu. Yds.
Remaining Location	= 14,560 Cu. Yds.
TOTAL CUT	= 18,110 CU.YDS.
FILL	= 13,050 CU.YDS.

* NOTE:

FILL QUANTITY INCLUDES
5% FOR COMPACTION

EXCESS MATERIAL	= 5,050 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



FIML NATURAL RESOURCES, LLC

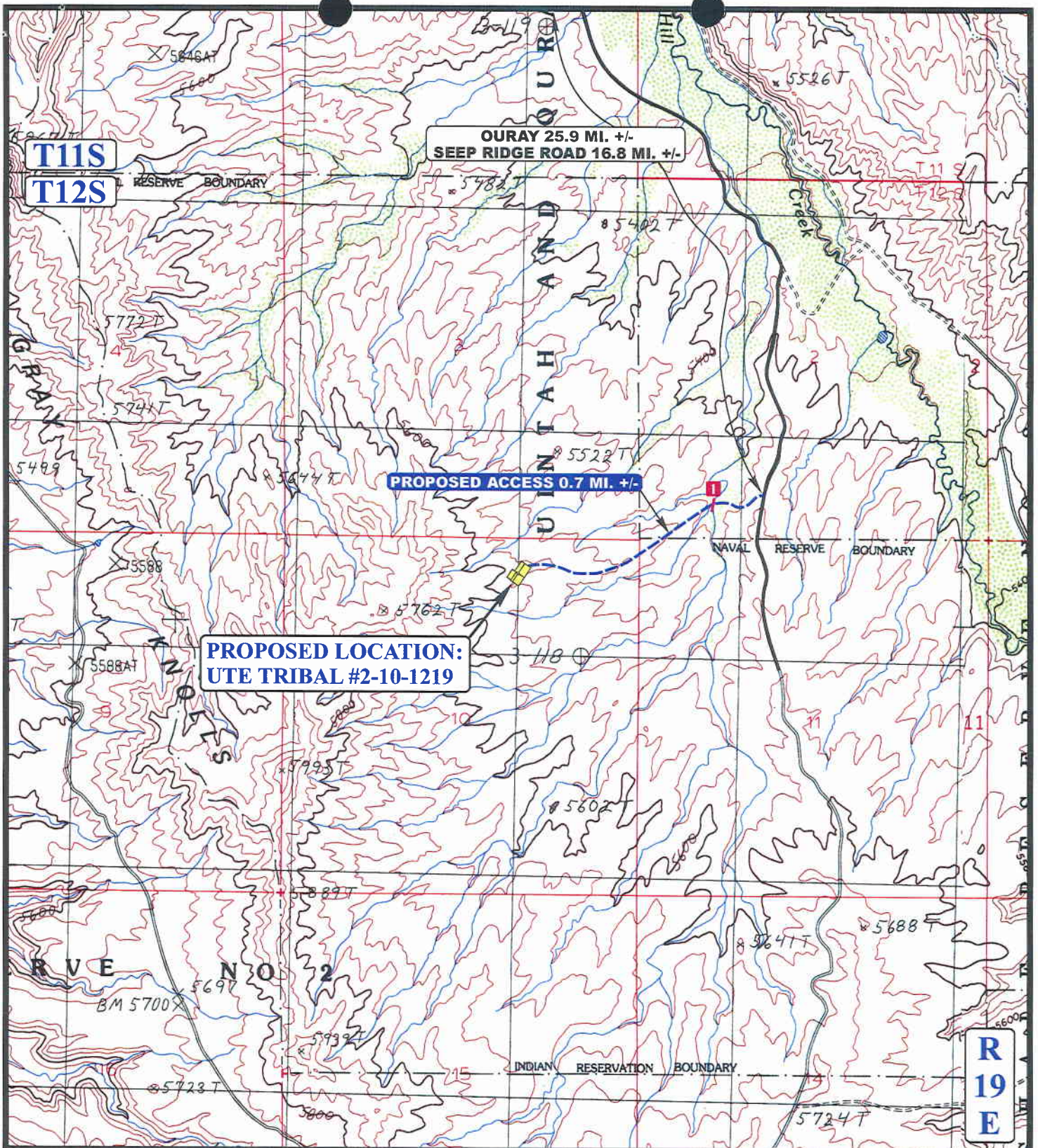
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SECTION 10, T12S, R19E, S.L.B.&M.
523' FNL 1796' FEL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP
08 21 04
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - - PROPOSED ACCESS ROAD
- LOW WATER CROSSING REQUIRED



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 (435) 789-1017 * FAX (435) 789-1813



FIML NATURAL RESOURCES, LLC

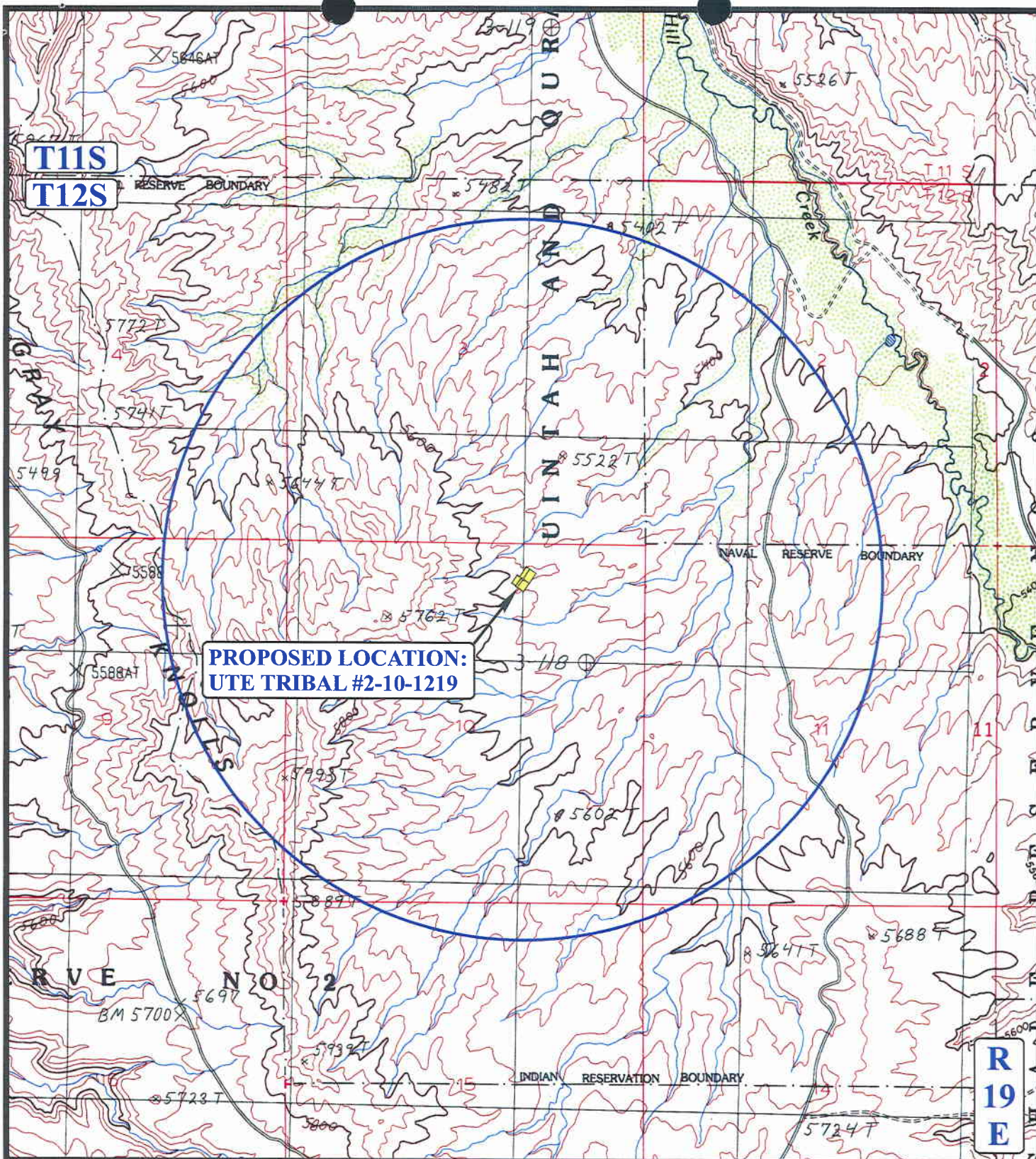
UTE TRIBAL #2-10-1219
SECTION 10, T12S, R19E, S.L.B.&M.
523' FNL 1796' FEL

TOPOGRAPHIC
MAP

08 21 04
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

B
TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED

FIML NATURAL RESOURCES, LLC

UTE TRIBAL #2-10-1219
SECTION 10, T12S, R19E, S.L.B.&M.
523' FNL 1796' FEL

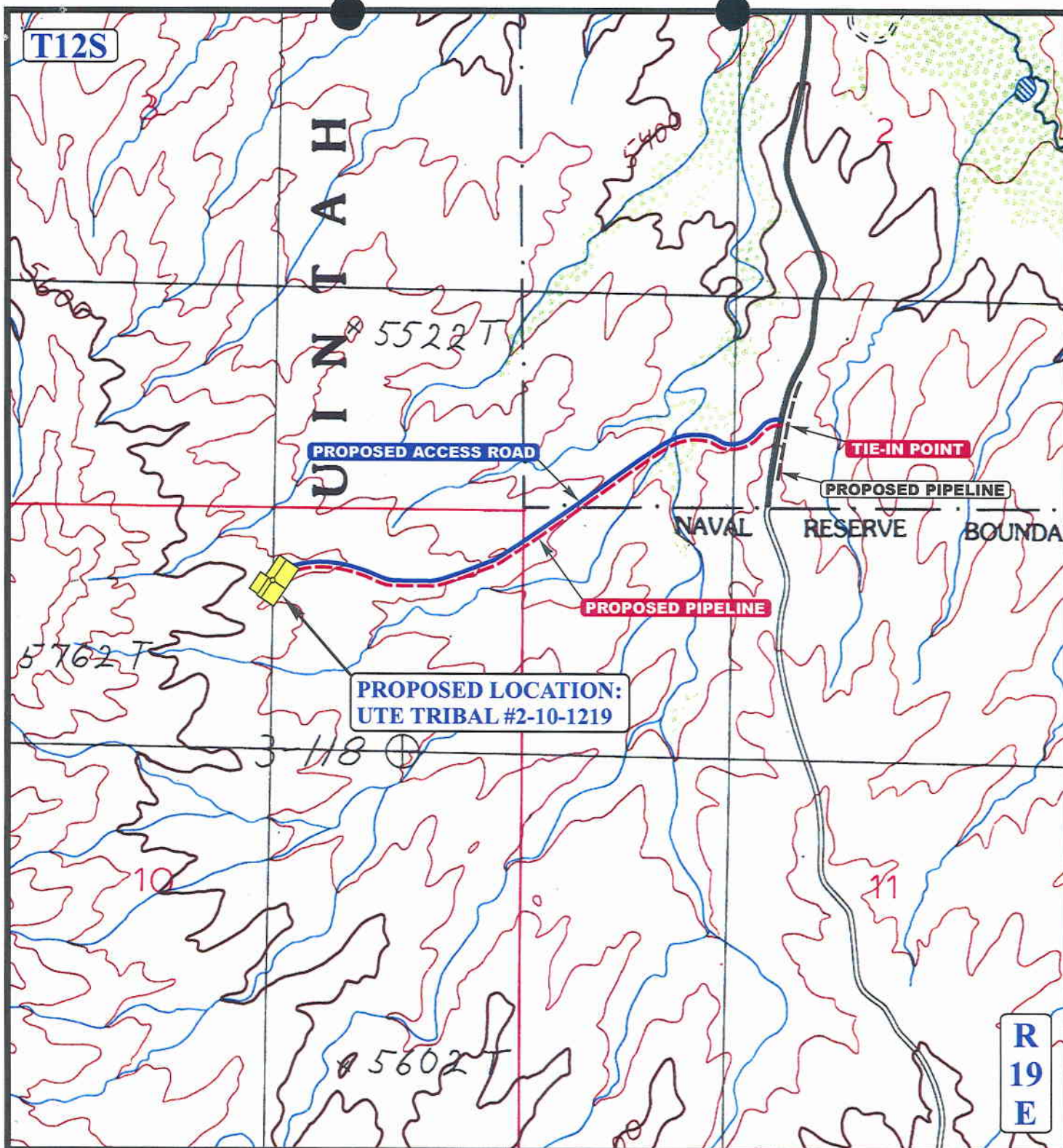


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP
08 21 04
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 3,921' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - - PROPOSED PIPELINE

FIML NATURAL RESOURCES, LLC

UTE TRIBAL #2-10-1219

SECTION 10, T12S, R19E, S.L.B.&M.

523' FNL 1796' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



**TOPOGRAPHIC
MAP**

08 21 04
MONTH DAY YEAR

SCALE: 1" = 1000'

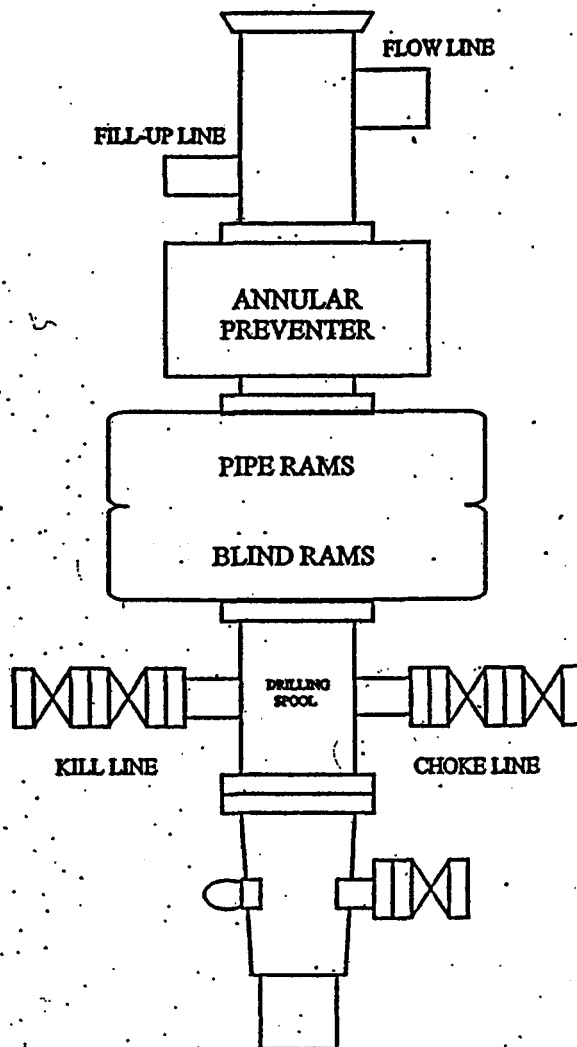
DRAWN BY: P.M.

REVISED: 00-00-00

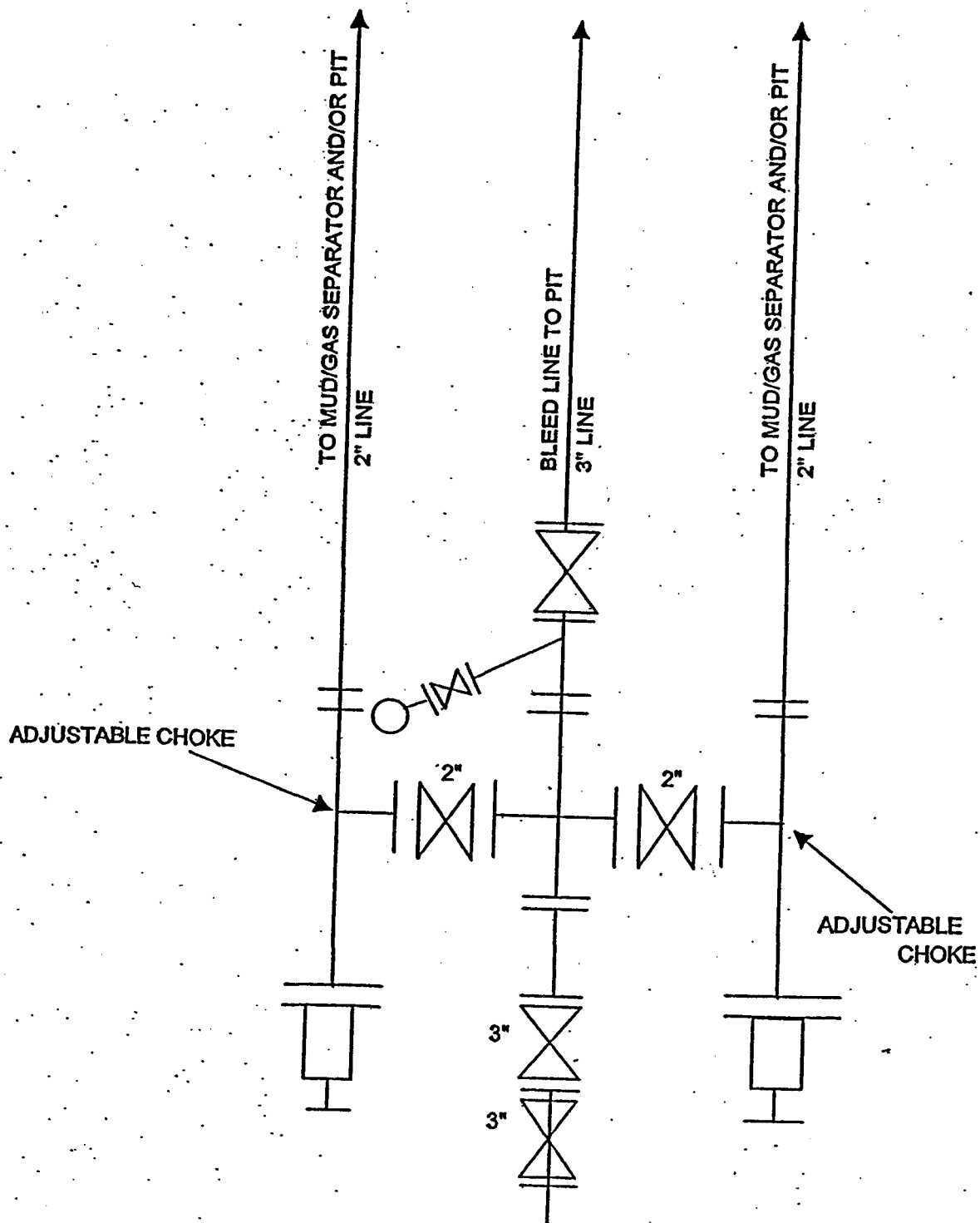
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TOPO**

BOP AND PRESSURE CONTAINMENT DATA

1. BOP EQUIPMENT SHALL CONSIST OF A DOUBLE GATE, HYDRAULICALLY OPERATED PREVENTER WITH PIPE & BLIND RAMS OR TWO SINGLE RAM TYPE PREVENTERS, ONE EQUIPPED WITH PIPE RAMS, THE OTHER EQUIPPED WITH BLIND RAMS.
2. BOP'S ARE TO BE WELL BRACED WITH HAND CONTROLS EXTENDED CLEAR OF THE SUBSTRUCTURE.
3. ACCUMULATOR TO PROVIDE CLOSING PRESSURE IN EXCESS OF THAT REQUIRED WITH SUFFICIENT VOLUME TO OPERATE ALL COMPONENTS.
4. AUXILIARY EQUIPMENT: LOWER KELLY COCK, FULL OPENING STABBING VALVE, 3rd CHOKE MANIFOLD, PIT LEVEL INDICATOR &/OR FLOW SENSORS WITH ALARMS.
5. ALL BOP EQUIPMENT, AUXILIARY EQUIPMENT, STAND PIPE, VALVES, & ROTARY HOSE TO BE TESTED TO THE RATE PRESSURE OF THE BOP'S AT THE TIME OF INSTALLATION & EVERY 30 DAYS THEREAFTER. BOP'S TO BE MECHANICALLY CHECKED DAILY. ANNULAR PREVENTER WILL BE TESTED TO 50% (2500 psi) OF PRESSURE RATING.
6. MODIFICATION OF HOOK-UP OR TESTING PROCEDURE MUST BE APPROVED IN WRITING ON TOUR REPORTS BY WELLSITE REPRESENTATIVE.



5000 PSI CHOKE MANIFOLD EQUIPMENT



FIML Natural Resources, LLC

August 26, 2004

Mr. John R. Baza
Associate Director – Oil and Gas
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114-5801

RECEIVED
AUG 27 2004
DIV. OF OIL, GAS & MINING

RE: APD's for the Ute Tribal 6-11-1219 and Ute Tribal 2-10-1219
Ute Indian Tribe – Uintah & Ouray Reservation

Dear Mr. Baza:

Enclosed please find Applications for Permit to Drill (APD's) the Ute Tribal 6-11-1219 and the Ute Tribal 2-10-1219 wells in Uintah County, Utah on the Uintah & Ouray Reservation of the Ute Indian Tribe. These wells will be located on lands formerly known as the Naval Oil Shale Reserve No. 2 ("NOSR2"), which consist of Townships 12 and 13 South, Ranges 18 and 19 East.

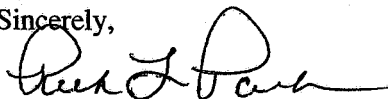
As you might recall from your recent conversations with representatives of the Ute Tribe and with Mr. Mark Bingham of this office, the NOSR2 lands were deeded to the Ute Tribe in "fee" by the U.S. Government in early 2001. As such, these lands have a different ownership status than other lands of the Ute Tribe (which are typically held in trust by the Federal government for the benefit of the Tribe). The Federal government has not retained any management or administrative responsibilities over the NOSR2 lands. The Ute Tribe has jurisdictional responsibility over the NOSR2 lands.

UTE/FNR LLC has contractual rights from the Ute Tribe to explore and develop oil and gas resources on the NOSR2 lands. FIML Natural Resources, LLC is the manager of UTE/FNR LLC and will be the operator on the proposed wells.

We would appreciate an expeditious review of these APD's and an issuance of API numbers for the wells. Please note the references to Standard Operating Practices on the APD forms. FIML Natural Resources, LLC, with Ute Tribal input has generated Standard Operating Practices which are very similar to those accepted by both the Bureau of Land Management and the Bureau of Indian Affairs on other lands of the Ute Tribe that have experienced oil and gas development. The Ute Tribe has agreed to these Standard Operating Practices and the Tribe can provide copies to you upon request.

Your prompt attention to these matters is essential as the drilling rig is scheduled to be on location in mid-September.

Sincerely,



Rick L. Parks
Operations Manager

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/27/2004

API NO. ASSIGNED: 43-047-35897

WELL NAME: UTE TRIBAL 2-10-1219

OPERATOR: FIML NATURAL RESOURCES (N2530)

CONTACT: RICK PARKS

PHONE NUMBER: 303-893-5081

PROPOSED LOCATION:

NWNE 10 120S 190E

SURFACE: 0523 FNL 1796 FEL

BOTTOM: 0523 FNL 1796 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 2 - Indian

LEASE NUMBER: 001-000

SURFACE OWNER: 2 - Indian

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.79373

LONGITUDE: -109.7741

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[2] Sta[] Fee[]
(No. 8193-15-93)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-10447)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit

☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No: _____

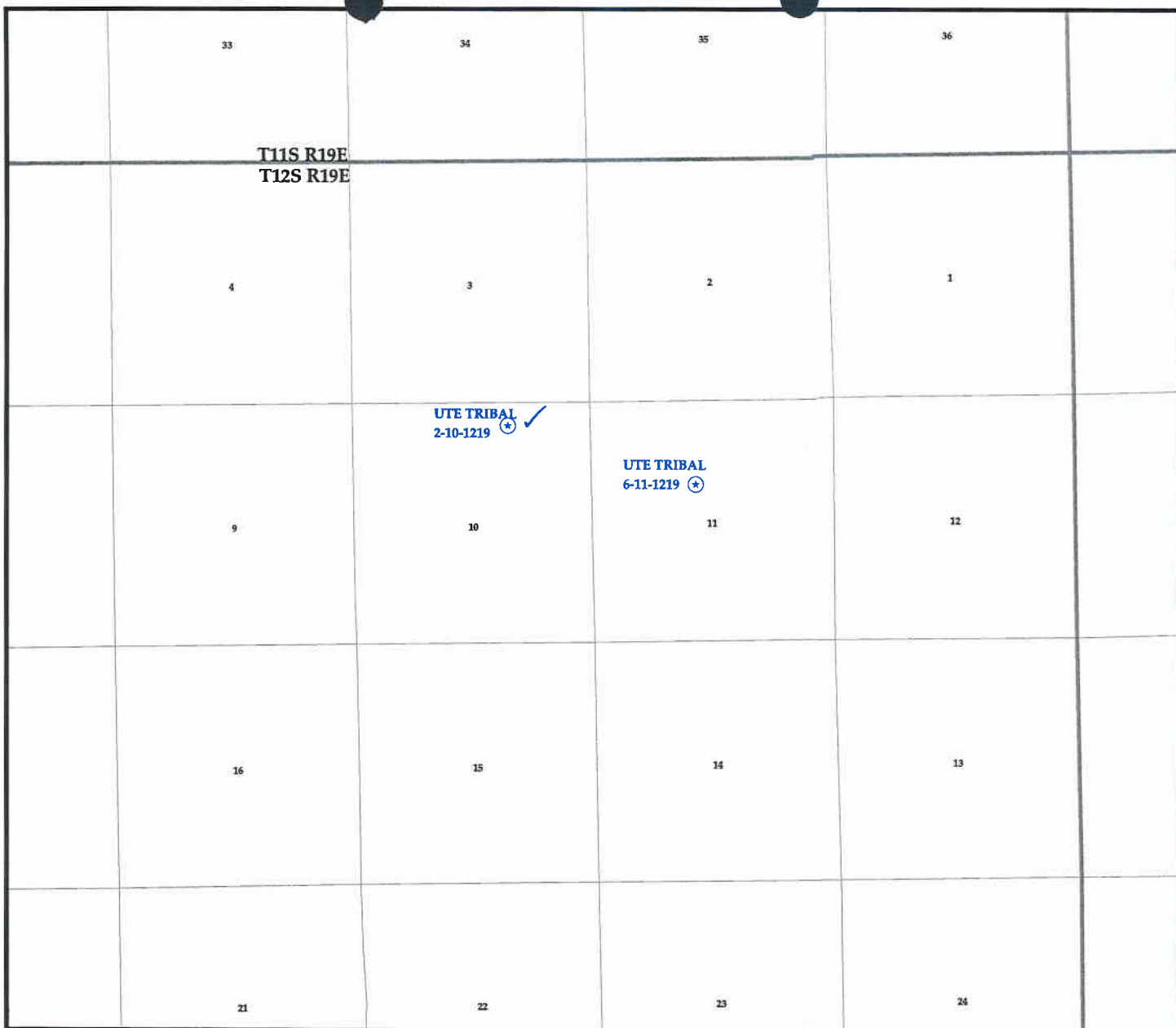
Eff Date: _____

Siting: _____

R649-3-11. Directional Drill

COMMENTS: Sep. Separate file

STIPULATIONS: 1- Federal Approval (Tribally owned land - not
2- Spacing Strip in trust to U.S.)



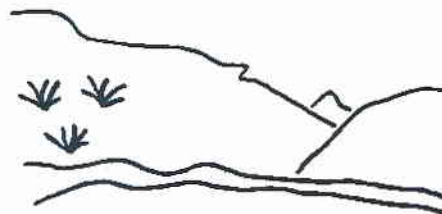
OPERATOR: FIML NATURAL RES LLC (N2530)

SEC. 10 T.12S R.19E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ✧ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ↘ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 27-AUG-2004



State of Utah

Department of
Natural ResourcesROBERT L. MORGAN
*Executive Director*Division of
Oil, Gas & MiningLOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

August 30, 2004

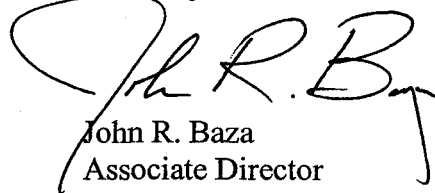
FIML Natural Resources, LLC
410 17th St., Suite 570
Denver, CO 80202Re: Ute Tribal 2-10-1219 Well, 523' FNL, 1796' FEL, NW NE, Sec. 10,
T. 12 South, R. 19 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35897.

Sincerely,



John R. Baza
Associate Director

pab
Enclosurescc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: FIML Natural Resources, LLC
Well Name & Number Ute Tribal 2-10-1219
API Number: 43-047-35897
Lease: UIT-EDA-001-000

Location: NW NE **Sec.** 10 **T.** 12 South **R.** 19 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4.** This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 27, 2005

Rick Parks
FIML Natural Resources LLC
410 17TH Street Suite 570
Denver, CO 80202

Re: APD Rescinded –Ute Tribal 2-10-1219 Sec. 10, T. 12, R. 19E
Uintah County, Utah API No. 43-047-35897

Dear Mr. Parks:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 30, 2004.

No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 27, 2005.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal

Earlene Russell - Drill Permits in the "Naval Reserve"

From: Earlene Russell
To: Elaine Winick; Mark Bingham
Date: 5/12/2010 10:28 AM
Subject: Drill Permits in the "Naval Reserve"
CC: Brad Hill; Diana Mason; Jean Sweet; Randy Thackeray
Attachments: Naval Reserve Bond.pdf

Dear Elaine and Mark,

Years ago the "Naval Reserve Area" was given to the Tribe by the United States Government as FEE SIMPLE property and it includes the minerals. A separate blanket bond was provided by FIML for these wells. DOGM monitors the permitting for this area to insure the wells are properly cased, etc.

The APDs FIML submits in this area (Uintah County, Townships 12S and 13S, Range 19E) should be submitted as Fee minerals, rather than Indian minerals. The bond number for the wells in the Naval Reserve is bond number 81918314 (copy attached) and bond type is State/Fee (5).

Based on the above information, DOGM's database has been changed to show fee minerals and the bond number 81918314. This includes the two new pending permits "Horn Frog".

If you have any questions, please call me at (801) 538-5336.

Earlene Russell
Division of Oil, Gas & Mining
PO Box 145801
Salt Lake City, UT 84114-5801
or
1594 W North Temple, Suite 1210
Salt Lake City, UT 84116
Phone (801) 538-5336
Fax (801) 359-3940
e-mail earlenerussell@utah.gov